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# *The* **NORTH CAROLINA REGISTER**

**IN THIS ISSUE .....**

**EXECUTIVE ORDER**

**PROPOSED RULES**

**Commerce**

**Elections**

**Housing Finance**

**Human Resources**

**Insurance**

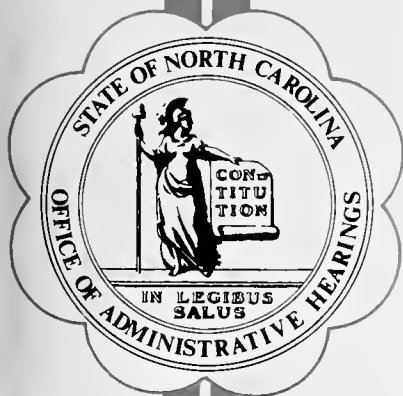
**Secretary of State**

**State Personnel**

**LIST OF RULES AFFECTED**

**ISSUE DATE: MAY 16, 1988**

**Volume 3 • Issue 4 • Pages 119-145**



# INFORMATION ABOUT THE NORTH CAROLINA REGISTER AND ADMINISTRATIVE CODE

## NORTH CAROLINA REGISTER

The *North Carolina Register* is published bi-monthly and contains information relating to agency, executive, legislative and judicial actions required by or affecting Chapter 150B of the General Statutes. All proposed, administrative rules and amendments filed under Chapter 150B must be published in the Register. The Register will typically comprise approximately fifty pages per issue of legal text.

State law requires that a copy of each issue be provided free of charge to each county in the state and to various state officials and institutions. The *North Carolina Register* is available by yearly subscription at a cost of ninety-five dollars (\$95.00) for 24 issues.

Requests for subscriptions to the *North Carolina Register* should be directed to the Office of Administrative Hearings, P. O. Drawer 11666, Raleigh, N. C. 27604, Attn: *Subscriptions*.

## ADOPTION, AMENDMENT, AND REPEAL OF RULES

An agency intending to adopt, amend, or repeal a rule must first publish notice of the proposed action in the *North Carolina Register*. The notice must include the time and place of the public hearing; a statement of how public comments may be submitted to the agency either at the hearing or otherwise; the text of the proposed rule or amendment; a reference to the Statutory Authority for the action and the proposed effective date.

The Director of the Office of Administrative Hearings has authority to publish a summary, rather than the full text, of any **amendment** which is considered to be too lengthy. In such case, the full text of the rule containing the proposed amendment will be available for public inspection at the Rules Division of the Office of Administrative Hearings and at the office of the promulgating agency.

Unless a specific statute provides otherwise, at least 30 days must elapse following publication of the proposal in the *North Carolina Register* before the agency may conduct the required public hearing and take action on the proposed adoption, amendment or repeal.

When final action is taken, the promulgating agency must file any adopted or amended rule for approval by the Administrative Rules Review Commission. Upon approval of ARRC, the adopted or amended rule must be filed with the Office of Administrative Hearings. If it differs substantially from the proposed form published as part of the public notice, upon request by the agency, the adopted version will again be published in the *North Carolina Register*.

A rule, or amended rule cannot become effective earlier than the first day of the second calendar month after the adoption is filed with the Office of Administrative Hearings for publication in the NCAC.

Proposed action on rules may be withdrawn by the promulgating agency at any time before final action is taken by the agency.

## TEMPORARY RULES

Under certain conditions of an emergency nature, some agencies may issue temporary rules. A temporary rule becomes effective when adopted and remains in

effect for the period specified in the rule or 180 days, whichever is less. An agency adopting a temporary rule must begin normal rule-making procedures on the permanent rule at the same time the temporary rule is adopted.

## NORTH CAROLINA ADMINISTRATIVE CODE

The North Carolina Administrative Code (NCAC) is a compilation and index of the administrative rules of 25 state agencies and 38 occupational licensing boards. The NCAC comprises approximately 15,000 letter size, single spaced pages of material of which approximately 35% is changed annually. Compilation and publication of the NCAC is mandated by G.S. 150B-63(b).

The Code is divided into Titles and Chapters. Each state agency is assigned a separate title which is further broken down by chapters. Title 21 is designated for occupational licensing boards.

The NCAC is available in two formats.

- (1) Single pages may be obtained at a minimum cost of two dollars and 50 cents (\$2.50) for 10 pages or less, plus fifteen cents (\$0.15) per each additional page.
- (2) The full publication consists of 52 volumes, totaling in excess of 15,000 pages. It is supplemented monthly with replacement pages. A one year subscription to the full publication including supplements can be purchased for seven hundred and fifty dollars (\$750.00). Individual volumes may also be purchased with supplement service. Renewal subscriptions for supplements to the initial publication available.

Requests for pages of rules or volumes of the NCAC should be directed to the Office of Administrative Hearings.

## NOTE

The foregoing is a generalized statement of the procedures to be followed. For specific statutory language, it is suggested that Articles 2 and 5 of Chapter 150B of the General Statutes be examined carefully.

## CITATION TO THE NORTH CAROLINA REGISTER

The *North Carolina Register* is cited by volume, issue, page number and date. **1:1 NCR 101-201, April 1, 1986** refers to Volume 1, Issue 1, pages 101 through 201 of the *North Carolina Register* issued on April 1, 1986.

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# ***NORTH CAROLINA REGISTER***



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**NORTH CAROLINA REGISTER**  
*Publication Deadlines and Schedules*  
 (March 1988 - March 1989)

Issue Date	Last Day for Filing	Last Day for Electronic Filing	Earliest Date for Public Hearing & Adoption by Agency	* Earliest Effective Date
*****	*****	*****	*****	*****
03 15 88	02 24 88	03 02 88	04 14 88	07 01 88
04 04 88	03 11 88	03 18 88	05 04 88	08 01 88
04 15 88	03 25 88	04 01 88	05 15 88	08 01 88
05 02 88	04 11 88	04 18 88	06 01 88	09 01 88
05 16 88	04 27 88	05 03 88	06 15 88	09 01 88
06 01 88	05 10 88	05 17 88	07 01 88	10 01 88
06 15 88	05 26 88	06 02 88	07 15 88	10 01 88
07 01 88	06 10 88	06 17 88	07 31 88	11 01 88
07 15 88	06 24 88	07 01 88	08 14 88	11 01 88
08 01 88	07 11 88	07 18 88	08 31 88	12 01 88
08 15 88	07 26 88	08 02 88	09 14 88	12 01 88
09 01 88	08 11 88	08 18 88	10 01 88	01 01 89
09 15 88	08 26 88	09 02 88	10 15 88	01 01 89
10 03 88	09 12 88	09 19 88	11 02 88	02 01 89
10 14 88	09 26 88	10 03 88	11 13 88	02 01 89
11 01 88	10 11 88	10 18 88	12 01 88	03 01 89
11 15 88	10 26 88	11 02 88	12 15 88	03 01 89
12 01 88	11 07 88	11 15 88	12 31 88	04 01 89
12 15 88	11 23 88	12 02 88	01 14 89	04 01 89
01 02 89	12 08 88	12 15 88	02 01 89	05 01 89
01 16 89	12 27 88	01 03 89	02 15 89	05 01 89
02 01 89	01 10 89	01 17 89	03 03 89	06 01 89
02 15 89	01 26 89	02 02 89	03 17 89	06 01 89
03 01 89	02 08 89	02 15 89	03 31 89	07 01 89
03 15 89	02 21 89	03 02 89	04 14 89	07 01 89

\* The "Earliest Effective Date" is computed assuming that the public hearing and adoption occur in the calendar month immediately following the "Issue Date", that the agency files the rule with The Administrative Rules Review Commission by the 20th of the same calendar month and that ARRC approves the rule at the next calendar month meeting.

**EXECUTIVE ORDER NUMBER 72**

**AMENDMENT TO EXECUTIVE ORDER  
NUMBER 53  
GOVERNOR'S INTER-AGENCY ADVISORY  
TEAM ON ALCOHOL AND OTHER DRUG  
ABUSE**

Section 1. The Governor's Inter-Agency Advisory Team on Alcohol and Other Drug Abuse was created by Executive Order Number 53 dated July 30, 1987.

Section 2. Section 3(d) of that executive order is amended to read as follows:

(d) travel and subsistence expenses incurred by the Chairman of the Advisory Team shall be paid, as directed by the Director of the Budget, from funds available to the agencies and departments represented on the Advisory Team.

Section 3. All other provisions of Executive Order Number 53 shall remain in effect.

Done in the Capital City of Raleigh, this the 26th day of April, 1988.

TITLE 4 - DEPARTMENT OF COMMERCE

*Notice is hereby given in accordance with G.S. 150B-12 that the North Carolina Milk Commission intends to amend regulation cited as 4 NCAC 7 .0504(a) and (a)(1).*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 10:00 a.m. on June 17, 1988 at Room 3137, Dobbs Building, 430 N. Salisbury Street, Raleigh, NC 27611.*

*Comment Procedures: Written comments, data, opinions and arguments concerning the proposed amendments must be submitted by June 15, 1988, to the North Carolina Milk Commission, 430 N. Salisbury Street, Raleigh, NC 27611, Attention Grady Cooper, Jr., Executive Secretary.*

CHAPTER 7 - MILK COMMISSION

SECTION .0500 - MARKETING REGULATIONS

.0504 CLASSIFICATION OF MILK

(a) Class I. Class I shall include the product weight of all fluid milk, fluid milk products, (including products sweetened or flavored), all skim milk and butterfat which is sold or disposed of for consumption or use as processed fluid milk products under any trade name (regardless of grade), except buttermilk disposed of in bulk to commercial food establishments for use on the premises in the production of soup, candy, bakery products or any other non-dairy food products, milk shake mix, heavy cream, medium cream, half and half, one-half ounce coffee creamers, eggnog, and any other cream items which are classified in a lower class and military sales approved for Class IA. The following provisions are also applicable to Class I:

- (1) Class I includes, but is not limited to, the following type milk products: pasteurized milk, homogenized milk, raw milk, whole lactic milk, buttermilk, plain and flake buttermilk, (except buttermilk disposed of for the purposes described in (a) of this Rule) lowfat flavored fresh milk, lowfat flavored reconstituted or recombined milk, lowfat white reconstituted or recombined milk, skim milk, fortified skim milk with added solids, chocolate or flavored milks or milk drinks, dietary modi-

fied milk, sterile milk, reconstituted milk and concentrated milk.

*Statutory Authority G.S. 106-266.8(3), (7), (10).*

TITLE 8 - STATE BOARD OF ELECTIONS

*Notice is hereby given in accordance with G.S. 150B-12 that the State Board of Elections intends to adopt regulations cited as 8 NCAC 8 .0004; 9 .0001 - .0005.*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 11:00 a.m. on June 15, 1988 at Conference Room 812, State Board of Elections, Raleigh Building, 5 West Hargett Street, Raleigh, North Carolina 27601.*

*Comment Procedures: Statements may be made in person at the hearing or written comments may be filed at any time prior to date of hearing, on date of hearing, or at any time up to 30 days following the hearing. Mail written comments to:*

*State Board of Elections  
Post Office Box 1166  
Raleigh, NC 27602*

CHAPTER 8 - COMPLIANCE WITH FEDERAL P.L. 98-435: THE VOTING ACCESSIBILITY FOR THE ELDERLY AND HANDICAPPED ACT

.0004 HANDICAPPED TRANSFER PRIOR TO ELECTION DAY

(a) At any time during the period of absentee voting in any primary, general or special election, a handicapped or elderly voter registered in a precinct wherein there exists no polling place accessible to the elderly and handicapped may request in advance to be transferred from that precinct to the office of the county board of elections for the purpose of voting at the county board of elections on election day under the following procedure:

- (1) An application to be transferred in advance to the county board of elections for the purpose of voting on election day shall be made and signed only by the voter or the voter's near relative, as defined in G.S. 163-227(c)(4), or legal guardian and shall be valid only when transmitted to the chairman or supervisor of elections of the county board of elections by mail or de-

livered in person by the voter or his near relative or legal guardian.

- (2) Upon receipt of a written request for transfer, the county board of elections, after determining the validity of such request, shall enter the voter's name and precinct into the book referred to in Rule .0001(a)(6) of this Chapter and shall place the designation "IIT" beside the voter's name as it appears on registration records sent to that voter's precinct for use on election day.
- (3) No voter who has requested advance transfer shall be allowed to vote on election day at that voter's precinct if the designation "IIT" appears on the records of that precinct, but instead shall be directed to the offices of the county board of elections.
- (4) On election day, the precinct transfer assistant at the county board of elections, when the elderly or handicapped voter appears and indicates that advance request for transfer was made, shall verify such fact by reference to the book referred to in Rule .0001(a)(6) and, having determined that such request was made, shall provide the voter with the proper ballots and follow the procedures set forth in Rule .0001 (a)(5)-(9).

*Statutory Authority G.S. 163-69.2.*

## CHAPTER 9 - CONDUCT OF VOTE RECOUNTS BY COUNTY BOARDS OF ELECTIONS

### .0001 RECOUNTS TO FOLLOW CUSTOMARY PROCEDURES

Except as provided to the contrary in this Chapter, a recount of votes and publication of results shall be undertaken in the same manner and under the same circumstances as provided by law for the original counting of votes.

*Statutory Authority G.S. 163-179.1; 163-192.1.*

### .0002 LOCATIONS OF RECOUNTS

Upon receiving a demand for recount of votes, if the demanding candidate is entitled by law to a recount or if a county board of elections determines that a recount is otherwise in order, the board shall set a date, time, and place for such recount. The board shall determine that all votes cast shall be counted at a central location, that they shall be counted in the precincts in which they were cast, or that they shall be counted at a combination of these and other locations where vote tabulation normally occurs.

*Statutory Authority G.S. 163-179.1; 163-192.1.*

### .0003 NOTICE OF RECOUNT

Upon deciding the date, time, and place of a recount of votes, a county board of elections shall give notice to any candidates whose votes will be recounted and to any other candidate or other person determined by the board to be sufficiently interested in the outcome of such recount. The county board shall give such notice in any form that is reasonably calculated to reach such persons and shall advise such right of their designees to be present to witness the recount of votes.

*Statutory Authority G.S. 163-179.1; 163-192.1.*

### .0004 OFFICIALS CONDUCTING RECOUNT

In recounting votes, a county board of elections may employ the services of as many elections officials and ballot counters as it deems necessary. In no event, however, shall votes be recounted in the precincts in which they were cast unless the registrar and both judges of said precinct are present for the entire period during which votes are recounted and the results are recorded.

*Statutory Authority G.S. 163-179.1; 163-192.1.*

### .0005 CHALLENGE OF RECOUNT PROCEDURES

In the event that any candidate for an office for which votes have been recounted challenges the results of such recount or the manner in which votes were recounted, the candidate shall, within 24 hours, file his protest with the county board of elections. Protests of recounts shall be in the same form as provided for other protests and shall be heard by the county board in the same manner as provided for other protests.

*Statutory Authority G.S. 163-179.1; 163-192.1.*

## TITLE 10 - DEPARTMENT OF HUMAN RESOURCES

*Notice is hereby given in accordance with G.S. 150B-12 that the Department of Human Resources/Division of Medical Assistance intends to amend regulation cited as 10 NCAC 26G .0511.*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 1:30 p.m. on June 15, 1988 at North Carolina Division*

of Medical Assistance, 1985 Umstead Drive, Room 201, Raleigh, NC 27603.

*Comment Procedures:* Written comments concerning this amendment must be submitted by June 15, 1988 to: Director, Division of Medical Assistance, 1985 Umstead Drive, Raleigh, NC 27603. Oral comments may be presented at the hearing. In addition, a fiscal impact statement on this proposed rule is available upon written request from the same address.

## CHAPTER 26 - MEDICAL SERVICES

### SUBCHAPTER 26G - PROGRAM INTEGRITY

#### SECTION .0500 - PEER REVIEW

##### .0511 PEER REVIEW PROCEDURES

(f) The provider shall have 45 days from receipt of the findings, conclusions, and recommendations in which to file with the Deputy Director of the Division of Medical Assistance a written rebuttal or comment. This response may not contain new evidence. The Deputy Director must consider the rebuttal before making a decision on the board's recommendations. The Deputy Director shall make a determination as to what, if any, sanctions, remedial measures and/or recoupment actions shall be imposed on a provider. The Deputy Director shall have the authority to impose sanctions, remedial measures and/or recoupment actions against a provider. The Deputy Director is not bound by the board's recommendations; he is bound by the board's findings of fact and conclusions regarding medical issues. The Deputy Director's decision shall be in writing and shall contain a statement of the provider's right to request a contested case hearing in accordance with the provisions of 40 NCAC 4B .0200. The provider shall have 45 working days to request a contested case hearing. Unless the request is received within the time prescribed, the Deputy Director's decision will become the Division's final decision. In processing the contested case request, the Director of the Division of Medical Assistance shall serve as the secretary's designee and shall be responsible for making the final agency decision. The Division of Medical Assistance shall have the authority to impose sanctions, remedial measures, and or recoupment actions against the provider. The Division of Medical Assistance is not bound by the Peer Review Board's recommendations; it is bound by the board's findings of fact and conclusions regarding medical issues. The Division of Medical Assistance's decision shall be in writing and shall contain a statement of the provider's provisions of 10 NCAC 1B .0200. The

provider shall have 15 working days from receipt of this letter to request a contested case hearing. Unless the request is received within the time prescribed, the Division of Medical Assistance's decision will become the division's final decision. In processing the contested case request, the Director of the Division of Medical Assistance shall serve as the secretary's designee and shall be responsible for making the final agency decision.

Authority G.S. 108A-25(b); 150B-11; 42 C.F.R. Part 455; 42 C.F.R. Part 456.

## TITLE 11 - DEPARTMENT OF INSURANCE

*Notice is hereby given in accordance with G.S. 150B-12 that the Department of Insurance intends to adopt, amend, and repeal regulations cited as 11 NCAC 5 .0105, .0403 - .0404; 7 .0101, .0105, .0201 - .0203, .0301 - .0306.*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 10:00 a.m. on June 15, 1988 at Third Floor Hearing Room, Dobbs Building, 430 N. Salisbury Street, Raleigh, N.C. 27611.*

*Comment Procedures:* Written comments should be submitted to Linda Stott, P.O. Box 26387, Raleigh, N.C. 27611. Oral presentations may be made at the public hearing.

## CHAPTER 5 - FIRE AND RESCUE SERVICES DIVISION

### SECTION .0100 - GENERAL PROVISIONS

#### .0105 TRAINING OPERATIONS

(a) Local. Field personnel from the fire and rescue services division administer various special programs across the state concerning administrative and technical aspects of fire-fighting and rescue work.

(b) Statewide. The following schools are held annually for state wide participation:

- (1) North Carolina Rescue Institute;
- (2) North Carolina Rescue College;
- (3) Southeastern Emergency Care Seminar;
- (4) Statewide Pump School.

The Field Training Staff of the Fire and Rescue Division of the Department of Insurance shall serve as staff to the State Fire Commission. Staff duties shall include but not be limited to the following:



- (1) Research and development of new techniques, tools, and procedures in order to develop specialized training for firefighters as well as instructor training.
- (2) Provide input to the State Fire Commission regarding changes in standards based on research.
- (3) Provide technical support to the State Fire Commission.
- (4) Evaluate and audit delivery programs when the State Fire Commission requests and approves such evaluations.
- (5) Plan, develop and deliver training programs for fire departments, rescue squads, colleges, universities and other governmental agencies.

*Statutory Authority G.S. 58-9; 58-27.33.*

#### **SECTION .0400 - ADMINISTRATION OF OTHER FUNDS**

##### **.0403 RURAL VOLUNTEER FIRE DEPARTMENT FUND**

The Rural Volunteer Fire Department Fund shall be administered in accordance with the provisions of NCGS 118-50.

*Statutory Authority G.S. 118-50.*

##### **.0404 RESCUE SQUAD WORKERS' RELIEF FUND**

The Rescue Squad Workers' Relief Fund shall be administered in accordance with the provisions of NCGS 118-60.

*Statutory Authority G.S. 118-60.*

### **CHAPTER 7 - STATE PROPERTY FIRE INSURANCE FUND DIVISION**

#### **SECTION .0100 - GENERAL PROVISIONS**

##### **.0101 DEFINITIONS**

The following definitions shall apply for this division:

- (1) "Agent of record" shall mean ~~the North Carolina Association of Insurance Agents, Inc.~~ that insurance agent or agents authorized to represent the North Carolina Department of Insurance in procurement of insurance for North Carolina agencies.
- (2) "Self-liquidating buildings" shall mean buildings using their own revenues to retire their obligations.
- (3) "Special ~~operating fund~~ Fund Agencies" shall mean departments or agencies that receive their operating revenue from sources other than the general fund.

(4) "State property division" or "the division" shall mean the state property fire insurance fund division of the North Carolina Department of Insurance.

(5) "The fund" shall mean the State Property Fire Insurance Fund.

(6) "Occurrence" shall mean the total loss by any peril or combination of perils insured against arising out of a single event. When the term applies to loss or losses from windstorm, hail, riot attending a strike or civil commotion, it shall be held to include those losses occurring or commencing during a period of 72 consecutive hours.

*Statutory Authority G.S. 58-9; 58-191.*

##### **.0105 BILLING**

A charge will be made for all fire coverage provided special fund agencies and self-liquidating buildings. An additional charge will be levied to a department, agency or institution requesting extended coverage, sprinkler leakage, business interruption or other property insurance. All checks must be made payable to the North Carolina Department of Insurance.

Upon the request of any state department, agency or institution, the department may provide coverage for sprinkler leakage, extended coverage, business interruption and fire coverage, or other property insurance from a special fund or self-liquidating buildings. Rates for said coverages are fixed by the Commissioner of Insurance.

A charge will be made by the State Property Fire Insurance Fund for fire coverage provided to special fund agencies, self-liquidating buildings, special fund buildings, and buildings utilizing funds from revenue-producing endeavors connected therewith, for operation or maintenance. Rates for said coverages shall be fixed by the Commissioner of Insurance.

Charges will be levied to agencies for requested extended coverage, sprinkler leakage, business interruption, or other property insurance. All checks must be made payable to the North Carolina Department of Insurance. Rates for said coverages shall be fixed by the Commissioner of Insurance.

*Statutory Authority G.S. 58-9; 58-190; 58-191.1; 58-191.2; S.L. 1975, Ch. 875.*

#### **SECTION .0200 - PLAN APPROVAL FOR STATE BUILDINGS**

##### **.0201 PLAN REVIEW**

Plans for new state-owned buildings and renovations of existing buildings are submitted to the state property division. The division determines that the minimum requirements of the North Carolina State Building Code and National Fire Codes have been complied with and, in addition, requires greater than minimum requirements in order to meet the standards to become insured by the State Property Insurance Fund.

All plans and specifications for new state-owned buildings and renovations and additions to existing buildings shall be submitted to the State Property Fire Insurance Fund Division. The division shall determine whether the plans and specifications are in compliance with the minimum requirements of the North Carolina Building Code and Standard Fire Codes. In addition, greater than minimum requirements may be required in order to better assure protection for buildings and safety of occupants, as well as to meet underwriting standards for insurability. The Division shall inform the designer of code violations and deficiencies and any corrections that may be necessary. Upon final approval of the plans and specifications by the division, letters of approval shall be sent to the designer and to the Office of State Construction in the Department of Administration.

*Statutory Authority G.S. 58-193.*

.0202 SUBMISSION OF PLANS  
(REPEALED)

.0203 CORRECTION OF PLANS  
(REPEALED)

*Statutory Authority G.S. 58-193.*

SECTION .0300 - STATE PROPERTY FIRE  
INSURANCE FUND

.0301 STATE PROPERTY FIRE  
INSURANCE FUND: PURPOSE  
AND FUNDING (REPEALED)  
.0302 REINSURANCE (REPEALED)

*Statutory Authority G.S. 58-189 to 58-191.2; S.L. 1975, Ch. 875.*

.0303 LOSS ADJUSTMENT

The staff of the state property division shall investigate all losses reported to the department. The Commissioner of Insurance ~~must~~ shall make recommendations to the Governor and Council of State for any loss.

Upon agreement between the department and the agency suffering a loss, of a settlement amount, the claimant ~~must~~ submit a "Report and Proof of Loss Form" as described in 44

NCAC 7 .0106. Said form must be signed by an authorized representative of the agency and include data in support of the claim. If a loss exceeds the deductible, the agent of record for the department is notified so that independent adjusters, representing reinsurance carriers for the state, may be consulted.

The claimant shall submit a "Report and Proof of Loss Form" in accordance with division procedures. Said form must be signed by an authorized representative of the agency and include data in support of the claim.

*Statutory Authority G.S. 58-191; 58-191.1; 58-191.2.*

.0304 INSURANCE PLACEMENT OTHER  
THAN UNDER THE FUND

Agencies or departments requesting insurance coverage not eligible under the State Property Fire Insurance Fund are placed by the department with its agent of record, the North Carolina Association of Insurance Agents, Inc. The agent of record contacts companies admitted to do business in this state and with which the agent is licensed to obtain proper coverage. Upon obtaining proper coverage, the policies and invoices for the policies are submitted to the state property division. Invoices are approved by the division and sent to the agency requesting coverage. All policies for said coverage are retained in the Department of Insurance, state property fire insurance fund division.

In addition, G.S. 58-194.1 requires state agencies to provide automobile liability coverage on all motor vehicles, and the above procedure is used to provide this coverage.

Insurance coverage which is requested by agencies, but which is not available under the State Property Fire Insurance Fund, is placed by the division through the Agent of Record. The Agent of Record shall acquire coverage from companies licensed to do business in North Carolina whenever such coverage is available.

*Statutory Authority G.S. 58-9; 58-194.1; S.L. 1975, Ch. 875.*

.0305 REVALUATION OF PROPERTY

In order to comply with the conditions of the reinsurance contract, the division constantly revalues its existing properties.

In its revaluation, the division uses data including, but not limited to cost analysis figures supplied by Engineering News Record as to initial escalation figures, comparative cost escalation figures for current construction costs, and depre-

ciation factors, according to building type, as established by national appraisal bureaus.

In the revaluation of property, the division shall use recognized standards and methods for computing replacement costs of real and personal property. Such methods may include, but are not limited to, factors of inflation and current construction indices.

Statutory Authority G.S. 58-191; 58-191.1; 58-191.2.

#### .0306 INSPECTION OF STATE-OWNED BUILDINGS

The General Statutes of North Carolina require that division personnel inspect state-owned buildings at least once each year, or as often as is deemed necessary by the division, to ensure the safety of the buildings or occupants therein, or both. On-site inspections are made on each building and an evaluation of conditions of the building is made, based on, among other things, the North Carolina State Building Code, NFPA Fire Codes, and other technical codes. To insure the safety of the buildings and occupants therein, on-site inspections of state-owned buildings are made as required by statute to determine property conditions.

Upon completion of its inspection and evaluation of fire and other safety hazards, the division will report, verbally or in writing or both to the authority in charge of the agency, institution or department. Said authority is responsible for correction of any deficiencies which may have been found by the division in accordance with the applicable General Statutes.

Statutory Authority G.S. 58-193.

### TITLE 18 - SECRETARY OF STATE

*Notice is hereby given in accordance with G.S. 150B-12 that the Securities Division - Department of Secretary of State intends to amend regulations cited as 18 NCAC 6 .1101, .1104, .1202 - .1203, .1205 - .1206, .1209, .1301, .1303 - .1305, .1307 - .1308, .1310, .1313, .1316, .1401 - .1402, .1406 - .1407, .1409 - .1410, .1414, .1504, .1509; repeal regulation cited as 18 NCAC 6 .1312; and adopt regulations cited as 18 NCAC 6 .1317 - .1318.*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 9:30 a.m. on June 16, 1988 at Securities Division, De-*

*partment of the Secretary of State, Room 404, 300 N. Salisbury St., Raleigh, NC 27611.*

*Comment Procedures: Comments in the form of data, opinions, and arguments may be submitted to the Securities Division in writing prior to June 15, 1988, or orally at the hearing.*

## CHAPTER 6 - SECURITIES DIVISION

### SECTION .1100 - GENERAL PROVISIONS

#### .1101 LOCATION AND HOURS

The Securities Division of the Department of the Secretary of State is located in Room 402, 404, Legislative Office Building, 300 North Salisbury Street, Raleigh, North Carolina 27611. Office hours for the public are 8:00 a.m. to 5:00 p.m. Monday through Friday, except state holidays.

Statutory Authority G.S. 147-36; 78A-49(a).

#### .1104 DEFINITIONS

(c) "Direct Participation Program" shall mean a program which provides for flow-through tax consequences regardless of the structure of the legal entity or vehicle for distribution including, but not limited to, oil and gas programs, real estate programs, agricultural programs, cattle programs, condominium securities, Subchapter S corporate offerings and all other programs of a similar nature, regardless of the industry represented by the program, or any combination thereof. A program may be composed of one or more legal entities or programs but when used herein and in any rules or regulations adopted pursuant hereto the term shall mean each of the separate entities or programs making up the overall program and or the overall program itself. Excluded from this definition are real estate investment trusts, tax qualified pension and profit sharing plans pursuant to Sections 401 and 403(a) of the Internal Revenue Code and individual retirement plans under Section 408 of that Code, and any company registered pursuant to the Investment Company Act of 1940.

(d) "SEC" shall mean the Securities and Exchange Commission.

(e) "NASD" shall mean the National Association of Securities Dealers, Inc.

(f) "NASAA" shall mean the North American Securities Administrators Association, Inc.

(g) "CRD" shall mean the Central Registration Depository.

(h) "Investment Contract" as used in G.S. 78A-2(11) includes:

- (1) Any investment in a common enterprise with the expectation of profit to be derived through the essential managerial efforts of someone other than the investor. In this Subparagraph a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with and dependent upon the efforts and success of those seeking the investment or of a third party; and

- (2) Any investment by which an offeree furnishes initial value to an offeror, and a portion of this initial value is subjected to the risks of the enterprise, and the furnishing of this initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind over and above the initial value will accrue to the offeree as a result of the operation of the enterprise, and the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise.

(4) "Oil or Gas Income Security" shall mean any security which constitutes an interest in oil or gas properties which are actually producing oil or gas at the time such security is sold.

(4) "Real Estate Security" shall mean any security which is an interest in a limited or general partnership, joint venture, unincorporated association or similar organization, other than a corporation, which is formed and operated, or proposed to be formed and operated, for the primary purpose of investment in and the operation of or gain from an interest in real property including such entities that make or invest in mortgage loans.

(1) "Recognized Securities Manual" shall mean a publication which contains the information required by G.S. 78A-17(2)a. and which has been designated, by rule or by order, as a "recognized securities manual" by the administrator.

(4) "Tax Shelter Security" shall mean any security as to which the primary material benefit expected to be derived or promoted to be derived from the ownership of the security is the availability to the person owning the security of deductions from such person's income or credits against such person's tax for federal income tax purposes.

Statutory Authority G.S. 78A-49, a).

#### SECTION .1200 - EXEMPTIONS

##### .1202 RECOGNIZED SECURITIES MANUALS

(a) The publications recognized by the administrator as securities manuals for the purposes set forth in G.S. 78A-17(2) ~~(a)~~ a. shall be:

- (1) Standard and Poor's Corporation Records,
- ~~(2) Standard and Poor's Industrial Manual,~~
- ~~(3) (2) Moody's Industrial Manual,~~
- ~~(4) (3) Moody's Over-the-Counter Industrial Manual, and~~
- ~~(5) (4) Periodic supplements to each recognized securities manual.~~

Other publications may be recognized by the administrator, on a case by case basis, upon a showing that the information required by G.S. 78A-17(2)a. is actually contained in the publication.

(b) None of the publications in Paragraph (a) shall be recognized as relating to the securities of a particular issuer unless all of the information required by G.S. 78A-17(2) ~~(a)~~ a. is contained in the publication. Other publications may be recognized by the administrator, on a case by case basis, upon a showing that the information required by G.S. 78A-17(2)a. is actually contained in the publication, and:

- (1) such information has been continuously published in that securities manual for at least fifteen months preceding the commencement of a distribution in reliance on G.S. 78A-17(2)a.; or
- (2) during the 12 months preceding the commencement of a distribution in reliance on G.S. 78A-17(2)a., the issuer's common stock or equivalent security has traded at the price of five dollars (\$5.00) or more per share for a period of at least 30 consecutive days as quoted in The Wall Street Journal or similar national publication; or
- (3) as of the end of its most recent fiscal year, the issuer had:
  - (A) a tangible net worth (i.e., net worth computed by excluding intangible assets) of at least one million dollars (\$1,000,000), and
  - (B) net income, after taxes, of at least one hundred and fifty thousand dollars (\$150,000); or
- (4) during the 12 months preceding a distribution in reliance on G.S. 78A-17(2)a., the issuer completed a public offering of securities which raised at least five million dollars (\$5,000,000).

Statutory Authority G.S. 78A-17(2)a.; 78A-49, a).

##### .1203 INFORMATION FILED BY

# REGISTERED DEALER

The exemption for nonissuer distributions, other than by a controlling person of an outstanding security, under G.S. 78A-17(2) ~~(b)~~ b. shall be applicable to the offer and sale of any security, the issuer of which is required to file reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, has been so required for at least 15 months prior to such sale and has filed all such required reports during such 15 month period if, prior to such sale, the registered dealer files with the administrator a statement certifying that copies of the following documents, and amendments thereto, with respect to the issuer of such security are on file with the dealer:

Statutory Authority G.S. 78A-17(2)b.; 78A-49(a).

## .1205 LIMITED OFFERINGS PURSUANT TO G.S. 78A-17(9)

(a) Any issuer relying upon the exemption provided by G.S. 78A-17(9) in connection with an offering of a security made in reliance upon Rule 505 or Rule 506 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, 17 C.F.R. 230.505 (1982) and 17 C.F.R. 230.506 (1982) (and as subsequently amended) shall comply with the provisions of Rules .1206, .1207 and .1208 of this Section; provided that such compliance shall not be required if the security is offered and sold only to persons who will be actively engaged, on a regular basis, in the management of the issuer's business; and provided further, that compliance with provisions of Paragraphs (a), (b), and (c) of Rule .1208 of this Section shall not be required if the security is offered to not more than five individuals who reside in this State.

(b) Any issuer relying upon the exemption provided by G.S. 78A-17(9) in connection with an offering of a ~~tax shelter security, oil or gas income security or a real estate security~~ direct participation program security made solely in reliance upon an exemption from registration contained in Section 4(2) or Section 3(a)(11) of the Securities Act of 1933, as amended, or made solely in reliance upon Rule 504 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, 17 C.F.R. 230.504 (1982), (and as subsequently amended), shall comply with the following conditions and limitations:

(1) No commission, discount, finder's fee or other similar remuneration or compensation shall be paid, directly or indirectly, to any person for soliciting any prospec-

tive purchaser of the security sold to a resident of this State unless such person is either registered pursuant to G.S. 78A-36 or exempt from registration thereunder or the issuer reasonably believes that such person is so registered or exempt therefrom.

(2) ~~In all sales of real estate securities, the provisions of Rule .1312 of this Chapter regarding registered offerings of real estate securities shall be applicable. In all sales of direct participation program securities, the provisions of Rule .1313 of this Chapter regarding registered offerings of direct participation program securities shall be applicable.~~

~~(3) In all sales of tax shelter securities or oil or gas income securities, the provisions of Rule .1313 of this Chapter regarding registered offerings of tax shelter securities and oil or gas income securities shall be applicable.~~

~~(4) (3) Any prospectus or disclosure document used in offering the securities in this State shall disclose conspicuously the following information:~~

~~"THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NORTH CAROLINA SECURITIES ACT. THE NORTH CAROLINA SECURITIES ADMINISTRATOR NEITHER RECOMMENDS NOR ENDORSES THE PURCHASE OF ANY SECURITY, NOR HAS THE ADMINISTRATOR PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE".~~ legend(s) required by the provisions of Rule .1316 of this Chapter.

Statutory Authority G. S. 78A-17(9); 78A-49(a).

## .1206 LIMITED OFFERING EXEMPTION PURSUANT TO G.S. 78A-17(17)

(a) Transactions made in reliance upon Rule 505 or Rule 506 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, 17 C.F.R. 230.505 (1982) and 17 C.F.R. 230.506 (1982) (and as subsequently amended) shall be exempt from the requirements of G.S. 78A-24, provided there is compliance with the conditions and limitations of this Rule .1206 and Rules .1207 and .1208 of this Section.

(3) In all sales to those accredited investors defined in 17 C.F.R. 230.501(a)(5) ~~and (6)~~ who reside in this State (except sales to such accredited investors made by or through a dealer registered under G.S. 78A-36) and in all sales to nonaccredited investors who reside in this State the issuer and any person acting on its behalf shall have reasonable grounds to believe and after making reasonable inquiry shall believe that one of the following conditions is satisfied:

(4) ~~In all sales of real estate securities pursuant to the exemption provided by this Rule .1206, the provisions of Rule .1312 of this Chapter regarding registered offerings of real estate securities shall be applicable in addition to all other requirements of this Rule .1206.~~

(5) ~~(4) In all sales of tax shelter securities or oil or gas income direct participation program securities pursuant to the exemption provided by this Rule .1206, the provisions of Rule .1313 of this Chapter regarding registered offerings of tax shelter securities and oil or gas income direct participation program securities shall be applicable in addition to all other requirements of this Rule .1206.~~

(6) ~~(5) Any prospectus or disclosure document used in this State in connection with an offer and sale of securities made in reliance upon the exemption provided by this Rule .1206 shall disclose conspicuously the following information:~~

~~"THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE NORTH CAROLINA SECURITIES ACT. THE NORTH CAROLINA SECURITIES ADMINISTRATOR NEITHER RECOMMENDS NOR ENDORSES THE PURCHASE OF ANY SECURITY, NOR HAS THE ADMINISTRATOR PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION PROVIDED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."~~ legend(s) required by the provisions of Rule .1316 of this Chapter.

Statutory Authority G.S. 78A-17(17); 78A-49 a).

.1208 TRANSACTIONS EXEMPT UNDER  
RULE .1206: FILING REQUIREMENTS

(a) Not less than 10 business days prior to any sale of a security sold in reliance upon the exemption provided by Rule .1206 of this Section which shall include but not be limited to the receipt by the issuer, or any person acting on the issuer's behalf of a signed subscription agreement of, or the receipt of consideration from, a purchaser, the issuer shall file with the administrator, or cause to be so filed, the following:

(1) ~~A statement signed by the issuer and acknowledged before a notary public or other similar officer. A Form D (Notice of Sales of Securities Pursuant to Regulation D, and or Uniform Limited Offering Exemption). All parts of this form, including the Appendix, shall be completed. The Form D is to be signed by a person duly authorized to do so by the issuer, and shall be attached to a statement containing the supplemental information required by Paragraph (c) of this Rule.~~

(A) ~~identifying the issuer (including name, form of organization, address and telephone number);~~

(B) ~~identifying the person(s) who will be selling the securities in this State (and, in the case of such persons other than the issuer and its officers, partners and employees, describing their relationship with the issuer in connection with the transaction and the basis of their compliance with or exemption from the requirements of G.S. 78A-36) and describing any commissions, discounts, fees or other remuneration or compensation to be paid to such persons;~~

(C) ~~containing a summary of the proposed offering including:~~

(i) ~~a description of the securities to be sold;~~

(ii) ~~the name(s) of all general partners of an issuer which is a partnership and, with respect to a corporate issuer or any corporate general partner(s) of any issuer which is a partnership, the date and place of incorporation and the names of the directors and executive officers of such corporation(s);~~

(iii) ~~the anticipated aggregate dollar amount of the offering;~~

(iv) ~~the anticipated required minimum investment, if any, by each purchaser of the securities to be offered;~~

(v) ~~brief description of the issuer's business and the anticipated use of the proceeds of the offering; and~~

- (vi) a list of the states in which the securities are proposed to be sold;
  - (D) representing that the securities will be sold in reliance upon an exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended;
  - (E) representing that, to the best of the issuer's knowledge, the issuer is not disqualified by the provisions of Rule .1207 of this Section from relying upon the exemption provided by Rule .1206 of this Section; and
  - (F) containing an undertaking to furnish to the administrator, upon his written request, evidence of compliance with Subparagraphs (2), (3), (4) and (5) of Rule .1206(a) of this Section.
- (b) Within 30 days after the last sale of the securities, the issuer shall file or cause to be filed, with the administrator. The issuer shall promptly file or caused to be filed with the administrator any amended Form D filed with the U.S. Securities and Exchange Commission in connection with the transaction.
- (1) a copy of the final Form D, 17 C.F.R. 230.503 (1982), or any successor form, filed or required to be filed by the issuer with the Securities and Exchange Commission;
  - (2) a list of the names and addresses of purchasers residing in this State; and
  - (3) a statement of the aggregate dollar amount of the securities sold in this State.
- (c) To comply with Subparagraph (a)(1) of this Rule, the issuer shall file with the administrator a statement signed by a person duly authorized to execute such statement on its behalf containing the following representations:
- (1) that the securities will be sold in reliance upon an exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended;
  - (2) that, to the best of the issuer's knowledge, the issuer is not disqualified by the provisions of Rule .1207 of this Section from relying upon the exemption provided by Rule .1206 of this Section;
  - (3) that the issuer will furnish to the administrator, upon written request, evidence of compliance with Subparagraphs (2), (3), (4) and (5) of Rule .1206(a) of this Section;
  - (4) that all persons who will be selling the securities in this state are in compliance with or exempt from the requirements of G.S. 78A-36; and
  - (5) that the issuer will notify the administrator in writing of the names and titles of all

officers, directors, partners, or employees of the issuer who will be engaged in the offer or sale of the securities in this state. Such notice to the administrator shall be made prior to any offer of securities in this state.

(e) (d) Any filing pursuant to this Rule .1208 shall be amended by filing with the administrator such information and changes as may be necessary to correct any material misstatement or omission in the filing.

(d) The administrator shall treat as confidential and not subject to public inspection the information required to be filed pursuant to Subparagraph (b)(2) of this Rule .1208 unless he shall determine that such treatment is not consistent with the public interest, in which case he may make public such of the filed information as he may deem necessary for protection of the public interest.

(e) The provisions of this Rule .1208 shall not apply to offers or sales of a security made pursuant to Rule .1206 of this Section if the security is offered to not more than five individuals who reside in this state.

Statutory Authority G. S. 78A-17(17); 78A-49(a).

#### .1209 NONPROFIT SECURITIES

(c) Where appropriate, The nonprofit issuer should provide each offeree a written document providing full disclosure of all material facts. A prospectus, pamphlet, circular or similar literature providing the following minimum disclosures, if applicable, normally will suffice for this purpose; provided, however that nothing in this Paragraph shall be construed as in any manner relieving any person from the full disclosure requirements of G.S. 78A-8(2):

(1) The Cover or First Page:

(G) The following language shall appear in boldface type: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE NORTH CAROLINA SECURITIES ACT, BEING EXEMPTED FROM REGISTRATION BY G.S. 78A-16(9) OF THE ACT. THE AVAILABILITY OF THAT EXEMPTION DOES NOT MEAN THAT THE SECURITIES ADMINISTRATOR HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, THE ISSUER, THESE SECURITIES OR THEIR OFFER AND SALE. ANY REPRESENTATION INCON-



~~SISTANT WITH THE FOREGOING IS UNLAWFUL.~~ The appropriate disclaimer and/or legend, pursuant to the provisions of Rule .1316 of this Chapter, shall appear in boldface type;

(11) Financial Statement;

(D) If applicable, the number of pledging units and the average annual contribution per pledging unit.

In lieu of the disclosure document as described in this Paragraph, the issuer may use a disclosure document prepared in accordance with the Church Bond Guidelines prepared by NASAA published at ~~5252 of CCH Blue Sky Law~~ Par. 1001 of CCH NASAA Reports, as may be amended from time to time, where such guidelines are applicable.

Statutory Authority G.S. 78A-16(9); 78A-49(a).

## SECTION .1300 - REGISTRATION OF SECURITIES

### .1301 REGISTRATION BY NOTIFICATION

Application for registration by notification shall be filed with the administrator using the ~~Registration By Notification form.~~ Uniform Application to Register Securities (Form U-1). ~~Documents necessary to establish eligibility for registration by notification shall be attached.~~ Supplemental information demonstrating eligibility for registration under this provision and the documents and information called for by G.S. 78A-25(b) shall be attached.

Statutory Authority G.S. 78A-25; 78A-49(a).

### .1303 REGISTRATION BY QUALIFICATION

(a) Application for registration by qualification shall be filed with the administrator using the ~~Uniform Application For Qualification of Securities Under State Blue Sky Laws or Form U-1.~~ To Register Securities (Form U-1). Documents necessary to establish eligibility for registration by qualification shall be attached.

Statutory Authority G.S. 78A-49(a).

### .1304 SECURITIES REGISTRATION AND FILING FEES

(a) All fees (registration and filing) are payable to the Office of the Secretary of State and shall be submitted with the application for original, renewal, or additional registration. ~~If the registration is not granted by the administrator or the registration is withdrawn by the applicant, the registration fee will be returned and the filing fee of one hundred dollars (\$100.00) will be retained by the administrator.~~ The registration fee shall

be retained by the administrator, except where the registration is not granted by the administrator or where the registration is withdrawn at the request of the applicant and with the consent of the administrator. The filing fee shall be retained by the administrator in all cases.

(b) The aggregate offering amount of an original or amended registration may be increased prior to or after the effectiveness of the registration by providing the administrator the following:

- (1) An additional registration filing fee of fifty dollars (\$50.00);
- (2) The appropriate registration fee calculated in the manner specified in G.S. 78A-28(b), provided the maximum registration fee has not been paid; and
- (3) An amendment to the Uniform Application to Register Securities (Form U-1), and
- (4) ~~A statement of the aggregate offering amount effective by original or amended registration and the total registration G.S. 78A-28(b).~~

Additional registrations shall be effective when the administrator so orders. The registration statement for a mutual fund or open-end management company may specify an indefinite aggregate offering amount if such offering amount is similarly registered with the Securities and Exchange Commission.

(c) A registration statement relating to securities issued or to be issued by a mutual fund, open-end management company, or unit investment trust, ~~or relating to other redeemable securities,~~ to be offered for a period in excess of one year, must be renewed annually by payment of a renewal fee of one hundred dollars (\$100.00) and by filing the following:

- (1) A copy of the current prospectus and any other offering materials;
- (2) One copy of any amendments to the registration statement not previously filed; and
- (3) ~~A Uniform Consent to Service of Process (Form U-2); and~~
- (4) (3) A statement of the amount of securities sold in this state to date and the balance of unsold securities effectively registered in this state, expressed in dollars.

The payment of the renewal fee and the filing of the listed documents and reports in this Rule shall be made no earlier than November 15th and, to assure timely renewal, should be made no later than December 15th. Renewal must be perfected prior to December 31 of each year and failure to timely renew will result in the expiration of the registration statement.



*Statutory Authority G.S. 78A-28(b); 78A-28(j); 78A-49(a).*

**.1305 SPONSORSHIP BY DEALER**

(a) Except where the conditions of G.S. 78A-2(2) ~~(d)(3)~~ d.3. or 78A-2(2)d.4. are met, no securities will be considered for registration unless the application therefor is sponsored by a North Carolina registered dealer with a statement of its desire and intent to offer such securities to the investing public in North Carolina. Sponsorship of an issue by a North Carolina registered dealer may be accomplished by the dealer signing the application form as applicant, or in lieu thereof, the sponsoring dealer may wire or write the administrator stating its intention to sponsor the issue in this State. The statement of sponsorship will not be accepted from the dealer's attorney unless a power of attorney has been given to the attorney by the dealer and a copy of the power of attorney is submitted together with letter of sponsorship.

*Statutory Authority G.S. 78A-2(2); 78A-49(a).*

**.1307 COMMISSION AND EXPENSES**

(c) In an application to register securities where warrants, options or rights to purchase shares below the offering price are granted to underwriters, dealers and other persons with respect to the public offering of securities, there shall be included in the calculation pursuant to Paragraph (a) of this Rule an amount equal to the difference between the lowest price at which the warrants, options or rights may be exercised and the public offering price of the securities at the time of effectiveness of registration, less any amount paid for such warrants, options or rights. In cases where no market value for the warrants, options or rights exists, a presumed fair value of 20 percent of the public offering price of the shares to which the warrants, options or rights pertain shall be used for purposes of the calculation of payments pursuant to Paragraph (a) of this Rule, unless evidence indicates that a contrary valuation exists.

*Statutory Authority G.S. 78A-29(a)(2)f.; 78A-49(a).*

**.1308 ADVERTISING**

(b) ~~Advertising is not required to be filed with the administrator unless specifically requested or otherwise required by statute, rule or order. If advertising is required to be filed with the SEC or the NASD, and has been filed with these agencies in a timely manner, then no filing of this same advertising need be filed with this division~~

unless specifically requested by the administrator or otherwise required by statute, rule or order.

(c) Except where the conditions of G.S. 78A-2(2)d.3. or 78A-2(2)d.4. are met, all advertising circulated within this state for registered securities must carry the name of at least one North Carolina registered dealer which can legally make an offering of the securities in this state.

*Statutory Authority G.S. 78A-49(a).*

**.1310 OFFERING PRICE**

(b) The final offering price information shall be filed in the following format:

Re: (Title of Offering)

Date sec effective:

Total number of units, shares/  
interests:

Total aggregate dollar amount:

Initial public offering price:

Underwriting commission  
(percentage):

States in which registration has  
been withdrawn.

*Statutory Authority G.S. 78A-26(c); 78A-49(a).*

**.1312 REGISTRATION OF REAL ESTATE  
SECURITIES (REPEALED)**

*Statutory Authority G.S. 78A-49(a).*

**.1313 REGISTRATION OF DIRECT  
PARTICIPATION PROGRAM  
SECURITIES**

(a) As a condition to the registration of ~~tax shelter securities (other than real estate securities) and the registration of oil or gas income securities,~~ direct participation program securities, the issuer or dealer(s) effecting sales of such securities pursuant to such registration shall:

(3) require that the minimum initial cash investment by each purchaser of ~~tax shelter~~ such securities in this State be five thousand dollars (\$5,000). ~~For oil or gas income securities, the minimum initial cash investment shall be two thousand five hundred dollars (\$2,500).~~

(b) The minimum investor suitability standards which shall be imposed for registered offerings of ~~tax shelter securities (other than real estate securities) and for registered offerings of oil or gas income securities,~~ direct participation program securities are as follows:

(1) The investor shall either have a minimum net worth of two hundred twenty-five thousand dollars (\$225,000) or a minimum net worth of sixty thousand dollars

(\$60,000) and had during the last tax year or estimates that the investor will have during the current tax year, taxable income of at least sixty thousand dollars (\$60,000) without regard to the investment in the security. ~~In the case of oil and gas income securities, the investor shall have a minimum net worth of one hundred thousand dollars (\$100,000) or a minimum net worth of twenty-five thousand dollars (\$25,000) and an annual income of at least twenty-five thousand dollars (\$25,000).~~

(c) The administrator will permit the substitution of lower suitability standards and or minimum initial cash investment, if such lower standards are consistent with the standards outlined in the NASAA policy statement for that specific type of program. (See CCH NASAA Reports for such policy statements.)

(~~e~~) (d) The administrator may modify or waive, upon the showing of good cause, the requirements of Paragraphs (a), and ~~(b)~~ (b) and (c) of this Rule, in whole or in part, with respect to a particular security, offering or transaction or the administrator may require higher investor suitability standards and minimum investment requirements with respect to a particular security offering or transaction where necessary for the protection of investors.

Statutory Authority G.S. 78A-49(a).

#### .1316 REGULATORY DISCLAIMERS AND LEGENDS

(a) A prospectus for a registered security shall contain the following legend on its cover in bold type, except as provided in Paragraph (b):

"THE SECURITIES ADMINISTRATOR HAS NOT PASSED UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO THE SECURITIES HEREBY OFFERED NOR HAS THE SECURITIES DIVISION OF THE NORTH CAROLINA DEPARTMENT OF SECRETARY OF STATE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."

The following information (to the extent appropriate) shall appear on the cover page of the prospectus or any alternative document, by whatever name known, utilized for the purpose of offering and selling securities:

(1) The following statement in capital letters printed in bold-face roman type at least

as high as ten-point modern type and at least two points leaded:

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

and:

(2) If an application for registration relating to these securities has not been filed with the Securities and Exchange Commission, the following statement in capital letters printed in bold-face roman type at least as high as ten-point modern type and at least two points leaded:

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS. PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

(b) Any prospectus which depicts the United States Securities and Exchange Commission's comparable legend pursuant to a registration statement filed under the Securities Act of 1933 or a letter of notification under Regulation A or a schedule under Regulation B of the General Rules and Regulations of the Securities Act of 1933 will be considered in compliance with Paragraph (a).

Statutory Authority G.S. 78A-49(a).

#### .1317 AMENDMENT OF FILINGS

Where any information in or exhibits attached to a registration statement is amended in any way

subsequent to the filing of such statement, the applicant shall file with the administrator in a timely fashion a copy of such registration statement and exhibits with such amendments clearly marked thereon.

*Statutory Authority G.S. 78A-49(a).*

**.1318 AUTOMATIC WITHDRAWAL OF APPLICATION FOR REGISTRATION**

Where an application for registration of a security has remained pending for at least one year following the date of its filing, and the delay in completion of its examination by the administrator is due to a deficiency in filing attributable to the applicant, the administrator shall withdraw such application automatically and shall retain all fees submitted with it.

*Statutory Authority G.S. 78A-29(a); 78A-49(a).*

**SECTION .1400 - REGISTRATION OF DEALERS AND SALESMEN**

**.1401 APPLICATION FOR REGISTRATION OF DEALERS**

(a) The application for registration as a dealer shall contain the following:

- (1) an executed Uniform Application for Registration as a Dealer (Form BD) and the appropriate schedules thereto or the appropriate successor form;
- (2) a fee in the amount of ~~one hundred fifty dollars (\$150.00)~~; two hundred dollars (\$200.00);

*Statutory Authority G.S. 78A-37(b).*

**.1402 APPLICATION FOR REGISTRATION OF SALESMEN**

(a) The application for registration as a salesman shall contain the following:

- (1) an executed Uniform Application for Securities and Commodities Industry Representative and/or Agent (Form U-4) or the appropriate successor form;
- (2) a fee in the amount of ~~twenty-five dollars (\$25.00)~~; forty-five dollars (\$45.00);

*Statutory Authority G.S. 78A-37(b).*

**.1406 EXPIRATION AND RENEWAL OF DEALER REGISTRATION**

(c) A non-NASD member firm shall renew by filing the following with the administrator at least 15 days before the expiration date:

- (1) Application of Dealer In Securities For Renewal Of Registration;

- (2) Fee in the amount of ~~one hundred fifty dollars (\$150.00)~~ two hundred dollars (\$200.00) for the dealer renewal payable to the North Carolina Secretary of State; and

*Statutory Authority G.S. 78A-37(b).*

**.1407 EXPIRATION AND RENEWAL OF SALESMAN'S REGISTRATION**

A salesman's registration shall expire on December 31 of each year unless renewed. A dealer shall file the following at least 15 days before the expiration date to renew its salesman's registration:

- (1) Dealers that are NASD member firms shall renew all salesmen by complying with the procedures for renewal of salesmen as required by the NASAA/NASD Central Registration Depository along with the payment of ~~twenty-five dollars (\$25.00)~~ forty-five dollars (\$45.00) for each salesman made payable to the National Association of Securities Dealers.
- (2) Dealers that are non-NASD member firms shall renew all salesmen by filing with the Securities Division a listing of all salesmen to be renewed along with their current addresses and social security numbers. The salesman renewal list shall be submitted in alphabetical order as follows: last name, first name, middle name or maiden name; current address; social security number. A fee of ~~twenty-five dollars (\$25.00)~~ forty-five dollars (\$45.00) for each salesman made payable to the North Carolina Secretary of State shall be submitted along with the salesman renewal list.

*Statutory Authority G.S. 78A-37(b).*

**.1409 TRANSFER OF SALESMAN'S REGISTRATION**

(a) In order to effect a transfer of registration of a salesman from one registered dealer (the "previous dealer") to another registered dealer (the "new dealer"), the administrator shall be provided the following information:

- (2) Uniform Application for Securities and Commodities Industry Representative (Form U-4) to be provided by the new dealer, accompanied by a fee of ~~twenty-five dollars (\$25.00)~~ forty-five dollars (\$45.00) for issuance of the new registration, pursuant to the requirements of Rule .1402 of this Section.

*Statutory Authority G.S. 78A-49(a).*

**.1410 BONDS/DEPOSITS OF CASH OR SECURITIES REQUIRED FOR DEALERS**

(c) For the purposes of this Rule, "Net Capital" shall mean the excess of total assets over total liabilities as determined by generally accepted accounting principles, except that if any of such assets have been depreciated, then the amount of depreciation relative to any particular asset may be added to the depreciated cost of such assets to compute total assets; provided however, that the amount resulting after adding such depreciation does not exceed the fair market value of the asset. In the case of an individual, the assets on his balance sheet may be carried at estimated fair market value, with provisions for estimated income taxes on unrealized gain. For the purpose of calculating the appropriate amount of surety bond which may be required pursuant to this Rule, net capital may be presumed to be zero (\$0.00) in situations in which a dealer's liabilities exceed the dealer's assets.

*Statutory Authority G.S. 78A-37(d); 78A-49(a).*

**.1414 DISHONEST/UNETHICAL PRACTICES OF DEALERS AND SALESMEN**

(b) Dishonest or unethical business practices in the securities business as used in G.S. 78A-39(a)(2)g. with regard to dealers include, but are not limited to, the following:

(31) Representing the availability of financial or investment planning, consultation, or advisement when the representation does not accurately describe the nature of the services offered, the qualifications of the person offering the services, and the method of compensation for the services;

~~or~~

(32) Engaging in an act or a course of conduct which resulted in the issuance by a securities agency or administrator of any state of an order to cease and desist the violation of the provisions of any state's securities act or rules (or the equivalent of any such order); or

~~(32)~~ (33) Any other acts or practices that may be determined by the administrator to constitute dishonest or unethical practices in the securities business.

(c) Dishonest or unethical business practices in the securities business as used in G.S. 78A-39(a)(2)g. with regard to salesmen include, but are not limited to the following:

(10) Engaging in conduct specified in Sub-paragraphs (b)(1), (2), (3), (4), (5), (6),

(7), (8), (9), (10), (12), (13), (15), (16), (19), (20), (21), (22), (25), (26), ~~or~~ (31), or (32) of this Rule; or

*Statutory Authority G.S. 78A-39(a)(2)g.; 78A-49(a).*

**SECTION .1500 - MISCELLANEOUS PROVISIONS**

**.1504 REQUEST FOR INTERPRETATIVE OPINIONS AND NO-ACTION LETTERS**

(a) Requests for interpretative opinions and "no-action" letters shall be directed to the administrator and shall contain the following:

(5) a fee in the amount of ~~ten dollars (\$10.00)~~, one hundred fifty dollars (\$150.00).

*Statutory Authority G.S. 78A-50(e).*

**.1509 FORMS**

The following forms are available upon request from the Securities Division:

~~(1) Registration by Notification;~~

~~(2) (1) Uniform Application to Register Securities (Form U-1);~~

~~(3) Uniform Application for Qualification of Securities Under State Blue Sky Laws;~~

~~(4) (2) Uniform Application for Registration As a Dealer (Form BD);~~

~~(5) (3) Supplement to Schedule F of Form BD;~~

~~(6) (4) Uniform Application for Securities and Commodities Industry Representative and/or Agent (Form U-4);~~

~~(7) Application of Dealer in Securities For Renewal of Registration;~~

~~(8) (5) Uniform Termination Notice for Securities Industry Registration (Form U-5);~~

~~(9) (6) Uniform Consent to Service of Process (Form U-2);~~

~~(10) (7) Uniform Form of Corporate Resolution (Form U-2A);~~

~~(11) (8) North Carolina Securities Administrator's Dealer Bond (Form NCDB); and~~

~~(12) (9) Certification of Deposit of Cash or Securities (Form CDCS).~~

*Statutory Authority G.S. 78A-49(a); 78A-49(b).*

**TITLE 24 - INDEPENDENT AGENCIES**

*Notice is hereby given in accordance with G.S. 150B-12 that the North Carolina Housing Finance Agency intends to amend regulation cited as 24 NCAC 01L .0201.*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 3:00 p.m. on June 16, 1988 at North Carolina Housing Finance Agency, 3300 Drake Circle, Suite 200, Raleigh, North Carolina 27607.*

*Comment Procedures: Written comments concerning this rule must be submitted by June 16, 1988 to the APA Coordinator, NCHFA 3300 Drake Circle, Suite 200, Raleigh, NC 27607.*

## CHAPTER 1 - N.C. HOUSING FINANCE AGENCY

### SUBCHAPTER 11 - RENTAL REHABILITATION PROGRAM

#### SECTION .0200 - PROGRAM IMPLEMENTATION

##### .0201 ADOPTION OF HUD PROGRAM BY REFERENCE

(a) The interim regulations, effective May 24, 1984, implementing the Rental Rehabilitation Program authorized by Section 17 of the United States Housing Act of 1937, published on April 20, 1984 at pages 16936 through 16957 of Volume 49, No. 78 of in the Federal Register and codified as 24 CFR Part 511 and any amendments thereto effective as of the effective date of this Rule are hereby adopted by reference. Amendments to 24 CFR Part 511 which become effective after the effective date of this Rule are not included in this adoption adopted by reference under G.S. 150B-14(c), but may hereafter be adopted by the agency by subsequent rulemaking.

(b) Copies of 24 CFR Part 511 may be inspected in the agency's offices at 424 North Blount Street, 3300 Drake Circle, Suite 200, Raleigh, North Carolina. Copies of 24 CFR Part 511 may be obtained by writing the agency at P.O. Box 28066, Raleigh, North Carolina 27611.

*Statutory Authority G.S. 122A-5(1); 150B-14(c).*

## TITLE 25 - OFFICE OF STATE PERSONNEL

*Notice is hereby given in accordance with G.S. 150B-12 that the Office of State Personnel State Personnel Commission intends to amend regulations cited as 25 NCAC 1J .0610 - .0611.*

*The proposed effective date of this action is September 1, 1988.*

*The public hearing will be conducted at 9:00 a.m. on June 17, 1988 at 101 West Peace St., Raleigh, N.C. 27611.*

*Comment Procedures: Interested persons may present statements orally or in writing at the hearing or in writing prior to the hearing by mail addressed to: Drake Maynard, Office of State Personnel, 116 W. Jones St., Raleigh, N.C. 27611.*

## CHAPTER 1 - OFFICE OF STATE PERSONNEL

### SUBCHAPTER 1J - EMPLOYEE RELATIONS

#### SECTION .0600 - DISCIPLINARY ACTION: SUSPENSION AND DISMISSAL

##### .0610 SUSPENSION

- (5) An employee may be suspended without pay for disciplinary purposes for causes relating to any form of personal conduct or in conjunction with a final written warning for performance of duties. However, a disciplinary suspension without pay must be for at least one full working day, but not more than three working days. Prior to placing an employee on disciplinary suspension without pay, a management representative shall conduct a pre-suspension conference with the employee. This conference shall be carried out in the same fashion as a pre-dismissal conference.
- (6) An employee who has been suspended without pay must be furnished a statement in writing setting forth the specific acts or omissions that are the reasons for the suspension and the employee's appeal rights. Where suspension is for disciplinary reasons, a copy of the statement shall be forwarded through administrative channels to the Employee Relations Division of the Office of State Personnel for the purpose of monitoring the policy use. A pre-suspension conference is required only when the employee is suspended without pay for disciplinary reasons; a pre-suspension conference is not required where an employee is suspended without pay for the purpose of investigation.

*Statutory Authority G.S. 126-4.*

##### .0611 DEMOTION

- (b) Disciplinary demotions may be accomplished in several ways. The employee may be

demoted to a lower classification with or without a loss in pay. Or, the employee may be reduced to a lower step in the same pay grade with a corresponding loss of pay. In no event shall an employee's pay be lowered below step one of his/her current pay grade, unless the employee is demoted to a lower classification. Prior to the decision to demote an employee for disciplinary

reasons, a management representative must conduct a pre-demotion conference with the employee. This pre-demotion conference shall be accomplished in the same fashion as the pre-dismissal conference.

*Statutory Authority G.S. 126-4(6); 126-35.*

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*LIST OF RULES AFFECTED*

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NORTH CAROLINA ADMINISTRATIVE CODE

EFFECTIVE: May 1, 1988

AGENCY		ACTION TAKEN
<u>DEPARTMENT OF ADMINISTRATION</u>		
1	NCAC 5A .0008 - .0009	Amended
	5B .0310	Amended
	.1601	Amended
<u>DEPARTMENT OF AGRICULTURE</u>		
2	NCAC 22A .0002	Repealed
<u>DEPARTMENT OF COMMERCE</u>		
4	NCAC 1I .0101 - .0102	Adopted
	.0201 - .0202	Adopted
	.0301 - .0302	Adopted
	.0401 - .0404	Adopted
	.0501 - .0503	Adopted
	.0601	Adopted
	1J .0101 - .0102	Adopted
	.0201	Adopted
	.0301	Adopted
<u>BOARD OF ELECTIONS</u>		
8	NCAC 8 .0004	Temp. Adopted Expires 08-31-88
	9 .0001 - .0005	Temp. Adopted Expires 08-31-88
<u>DEPARTMENT OF HUMAN RESOURCES</u>		
10	NCAC 3H .0108	Amended
	.0210	Amended
	.0216	Amended
	.0218	Amended
	.0315	Amended
	.1003	Amended
	8A .1102 - .1103	Amended
	24A .0504	Amended
	.0607	Adopted
	45H .0202	Amended
	47A .0507	Amended
	49B .0309	Amended
	.0312	Amended
	.0605	Amended
	.0609	Adopted
<u>DEPARTMENT OF INSURANCE</u>		
11	NCAC 13 .0507 - .0508	Amended
<u>DEPARTMENT OF JUSTICE</u>		

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**LIST OF RULES AFFECTED**

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12	NCAC	7D	.0104	Amended
			.0111	Adopted
			.0701	Amended
			.0801	Amended

**DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY**

14A	NCAC	2	.0104	Amended
		7	.0504	Adopted
		8B	.0101	Amended
		9B	.0101	Amended
		9II	.0701	Amended
			.0702 -	Repealed
		10A	.0005	Amended
		10B	.0206	Amended

**DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT**

15	NCAC	1B	.0120	Amended
		2B	.0315	Amended
		7II	.0503	Amended
		10F	.0310	Amended
			.0353 - .0354	Adopted
		13L	.0103	Amended
			.0401	Amended
			.0403 - .0404	Amended
			.0407	Amended
			.0502	Amended
			.0702	Amended
			.0901	Amended
			.0903	Amended
			.0905	Amended
			.0907	Amended
			.0909	Amended
			.0911 - .0913	Amended
			.1002	Amended
			.1004	Amended
			.1006	Amended
			.1009	Amended
			.1011	Amended
			.1302	Amended
			.1402 - .1403	Amended
			.1501 - .1505	Adopted
		13P	.0101 - .0104	Temp. Adopted Expires 10-01-88
			.0201 - .0202	Temp. Adopted Expires 10-01-88
			.0301 - .0303	Temp. Adopted Expires 10-01-88
			.0401 - .0403	Temp. Adopted Expires 10-01-88
			.0501 - .0505	Temp. Adopted Expires 10-01-88
			.0601 - .0604	Temp. Adopted Expires 10-01-88

**BOARD OF COSMETIC ART EXAMINERS**

21	NCAC	14F	.0005	Amended
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*LIST OF RULES AFFECTED*

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	.0008	Amended
14G	.0003	Amended
	.0011	Amended
	.0013 - .0014	Amended
14I	.0302	Amended
14L	.0101	Amended
	.0214	Amended
14M	.0004	Amended
	.0006	Amended

BOARD OF HEARING AID DEALERS AND FITTERS

21	NCAC 22A	.0101 - .0105	Repealed
		.0201 - .0202	Repealed
		.0203 - .0204	Amended
		.0205 - .0206	Repealed
		.0301	Amended
		.0302	Repealed
		.0303	Amended
		.0304 - .0306	Repealed
		.0307 - .0312	Adopted
	22B	.0101	Amended
		.0102 - .0107	Repealed
		.0201 - .0204	Repealed
		.0301	Repealed
		.0302	Amended
		.0303 - .0306	Repealed
		.0307	Amended
		.0308 - .0309	Repealed
		.0401 - .0402	Repealed
		.0501	Amended
		.0502	Repealed
		.0503	Amended
		.0504 - .0507	Repealed
		.0601 - .0602	Repealed
	22C	.0101	Amended
		.0102	Repealed
		.0201 - .0205	Repealed
		.0301 - .0304	Repealed
		.0401 - .0402	Repealed
		.0501 - .0504	Repealed
		.0601 - .0602	Repealed
		.0701 - .0702	Repealed
		.0801 - .0808	Repealed
		.0901 - .0902	Repealed
		.0903	Amended
		.0904 - .0911	Repealed
	22D	.0101 - .0105	Repealed
		.0201 - .0205	Repealed
		.0301 - .0310	Repealed
		.0401 - .0402	Repealed
		.0501 - .0503	Repealed
	22E	.0101 - .0103	Repealed
		.0201 - .0205	Repealed
	22F	.0001	Amended
		.0002	Repealed
		.0003 - .0005	Amended
		.0006	Repealed
		.0007 - .0008	Amended

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**LIST OF RULES AFFECTED**

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	.0009	Repealed
	.0010	Amended
	.0011 - .0012	Repealed
	.0013 - .0016	Amended
	.0017	Repealed
	.0018	Amended
	.0019	Repealed
	.0020	Amended
22G	.0001 - .0002	Repealed
22H	.0001 - .0002	Repealed
22I	.0001	Amended
	.0002	Repealed
	.0003	Amended
	.0004 - .0005	Repealed
	.0006	Amended
	.0007	Repealed
	.0008 - .0013	Amended
22J	.0001	Repealed
	.0002 - .0003	Amended
	.0004	Repealed
	.0005	Amended
	.0006	Repealed
	.0007 - .0010	Amended
	.0011 - .0013	Repealed
	.0014	Adopted
22K	.0001 - .0004	Amended

**BOARD OF MEDICAL EXAMINERS**

21	NCAC 3211	.0101 - .0102	Amended
		.0201 - .0202	Amended
		.0301 - .0303	Amended
		.0304	Repealed
		.0401 - .0406	Amended
		.0407	Adopted
		.0501 - .0504	Amended
		.0505	Adopted
		.0601 - .0602	Amended
		.0603	Repealed
		.0701 - .0702	Amended
		.0801 - .0802	Amended
		.0901 - .0903	Amended
		.1001 - .1004	Amended

**BOARD OF NURSING**

21	NCAC 36	.0110	Amended
		.0112 - .0113	Adopted
		.0208	Amended
		.0211	Amended
		.0310	Amended

**BOARD OF PHYSICAL THERAPY**

21	NCAC 48A	.0003	Amended
	48C	.0302	Amended
	48D	.0003	Amended
		.0005 - .0006	Amended
		.0009 - .0010	Amended

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**LIST OF RULES AFFECTED**

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48E	.0101	Amended
	.0104 - .0105	Amended
	.0110	Amended
48F	.0001 - .0003	Amended
48G	.0104	Amended
	.0203	Amended
48H	.0102	Amended
	.0103	Repealed
	.0104	Adopted

**BOARD OF REFRIGERATION EXAMINERS**

21	NCAC 60	.0102 - .0103	Amended
		.0205	Repealed
		.0208	Adopted
		.0301 - .0302	Repealed
		.0303	Amended
		.0305	Repealed
		.0309	Repealed
		.0311	Adopted
		.0401 - .0404	Repealed
		.1103 - .1104	Amended

**HOUSING FINANCE**

24	NCAC 1K	.0601 - .0605	Temp. Adopted Expires 10-19-88
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**OFFICE OF ADMINISTRATIVE HEARINGS**

26	NCAC 2B	.0103	Amended
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2	Agriculture, Department of
3	Auditor, Department of State
4	Commerce, Department of
5	Corrections, Department of
6	Council of State
7	Cultural Resources, Department of
8	Elections, State Board of
9	Governor, Office of the
10	Human Resources, Department of
11	Insurance, Department of
12	Justice, Department of
13	Labor, Department of
14A	Crime Control and Public Safety, Department of
15	Natural Resources and Community Development, Department of
16	Education, Department of
17	Revenue, Department of
18	Secretary of State, Department of
19A	Transportation, Department of
20	Treasurer, Department of State
*21	Occupational Licensing Boards
22	Administrative Procedures
23	Community Colleges, Department of
24	Housing Finance Agency
25	State Personnel, Office of
26	Administrative Hearings, Office of

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4	Auctioneers, Commission for
6	Barber Examiners, Board of
8	Certified Public Accountant Examiners, Board of
10	Chiropractic Examiners, Board of
12	Contractors, Licensing Board for
14	Cosmetic Art Examiners, Board of
16	Dental Examiners, Board of
18	Electrical Contractors, Board of Examiners of
20	Foresters, Board of Registration for
21	Geologists, Board of
22	Hearing Aid Dealers and Fitters Board
26	Landscape Architects, Licensing Board of
28	Landscape Contractors, Registration Board of
31	Marital & Family Therapy Certification Board
32	Medical Examiners, Board of
33	Midwifery Joint Committee
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36	Nursing, Board of
37	Nursing Home Administrators, Board of
38	Occupational Therapists, Board of
40	Opticians, Board of
42	Optometry, Board of Examiners in

44	Osteopathic Examination and Registration, Board of
46	Pharmacy, Board of
48	Physical Therapy, Examining Committee of
50	Plumbing and Heating Contractors, Board of
52	Podiatry Examiners, Board of
53	Practicing Counselors, Board of
54	Practicing Psychologists, Board of
56	Professional Engineers and Land Surveyors, Board of
58	Real Estate Commission
60	Refrigeration Examiners, Board of
62	Sanitarian Examiners, Board of
63	Social Work, Certification Board for
64	Speech and Language Pathologists and Audiologists, Board of Examiners of
66	Veterinary Medical Board

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F - Errata  
EO - Executive Order  
FDL - Final Decision Letters  
FR - Final Rule  
GS - General Statute  
JO - Judicial Orders or Decision  
LRA - List of Rules Affected  
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SO - Statements of Organization  
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# NOW AVAILABLE

## NORTH CAROLINA ADMINISTRATIVE CODE

*The full publication consists of 52 volumes, totaling in excess of 15,000 pages. It is supplemented monthly with replacement pages. A one year subscription to the full publication including supplements can be purchased for seven hundred and fifty dollars (\$750.00). Individual volumes may also be purchased with supplement service. Renewal subscriptions for supplements to the initial publication available starting October 1988.*

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